

73-1062

MEMORANDUM FOR: Deputy Director for Intelligence
Deputy Director for Operations
Deputy Director for Science and Technology

SUBJECT : Establishment of ADP Resource Allocations
for Services from OJCS/DD/M&S

1. In order to improve management's control over the level of ADP resources and to stimulate more cost consciousness on the part of users in their demands for computer services, I wish to implement a User ADP Resource Allocation System in OJCS.
2. Under this system, a credit allocation for services from OJCS will be established for each user Office. The price of services used will be reported monthly by OJCS to each user Office. In general, a user Office may not demand services from OJCS in excess of its allocation. Changes in allocation may, however, be effected as indicated in the attachment.
3. Initial allocations are to be established for FY 1974 by 15 July 1973. Allocations will be made in dollars and will be equal to resources used in FY 1973. OPPB will oversee the manner of setting allocations and will adjudicate any Directorate appeals for additional allocations. This ADP Resource Allocation System, however, is completely independent of the Agency's budgetary allotment system. A description of the ADP Resource Allocation System is attached.

HAROLD L. BROWNMAN
Deputy Director
for
Management and Services

Attachment: a/s

1. The ADP Resource Allocation System provides a mechanism for management to monitor and control the use of ADP resources. The overall objective is to give user management a larger role in planning the level and type of ADP support they require within established constraints. Growth of ADP resources will be controlled through more deliberate planning of activity levels for existing or future projects. The system will cause users to set priorities among their various projects.

2. For purposes of allocation, OJCS resources will be subdivided into five major categories, as follows:

- Manpower
- Batch Processing (360/OS)
- Time Sharing (360/CP)
- Data Preparation and Card Processing
- Other

For FY 1974, resources for these categories will be allocated individually to users on a yearly basis. Yearly implies that once the allocation is made, the user chooses his own timing and rate of actually using the various resources.

3. The allocations set up for FY 1974 will maintain the same level of activity for FY 1974 as that of FY 1973. Allocations will be made at the Office and Directorate levels. Each user Office will be allocated the same total dollars for each of the five major categories as that billed by OJCS in FY 1973. A special reserve account will be set up for each Directorate. Funds may be transferred from Office to Office. All transfers must always be within one of the five categories. For example, dollars can move from Office A's Batch Processing account to Office B's Batch Processing account. Dollar transfers cannot be made between unlike categories, such as Manpower to Batch Processing.

4. Once the allocation for the Fiscal Year is made, the total dollars for each category will remain constant for that year. Performance reports will reflect actual monthly activity versus a monthly straight line projection, actual year-to-date activity versus a year-to-date straight line projection, and total yearly allocation versus total remaining allocation.

5. If an Office is about to exceed its allocation, there are several options it may pursue. First, it should review remaining requirements for possible elimination of lower priority projects in an effort to free up the needed allocation. If this cannot be done, it can request an additional allocation from its own Directorate. Depending on the merits of the case, the Directorate can increase the allocation of the requesting Office by either charging the Directorate reserve or the account of another Office within that Directorate. However, if this action cannot be taken and the Directorate feels justified, it can request aid from other Directorates via OPPB. OPPB can undertake to determine where an excess allocation may exist and to broker the necessary transfers. If there is no allocation available, OPPB will recommend to DD/M&S what action should be taken. Approval would result in granting the requesting Office additional allocation. Disapproval would necessarily deny to the requesting Office the services requested.

6. Over time it will be necessary to revise the price rate structure to reflect changes in both the types of services provided and the technology required. When rate changes are effected, provision will be made such that existing allocations will not be reduced.

7. OJCS will maintain a reserve account which will be allocated especially for the rerun* of Batch Processing. Funds will be made available for this account by computing the total Batch Processing allocation at 10% below the total actually available. This action is not meant to reduce current levels of batch activity but merely recognizes that users will not want some jobs charged to their accounts if the jobs in question were considered to have errors outside the users' control. When users' accounts are credited for jobs of this nature, the sum of these transactions will be balanced against the OJCS rerun reserve.

8. OJCS will have an allocation set for those activities not considered to be direct overhead. It should be noted that OJCS is both a supplier and user of ADP resources. In order to control those overhead activities related to the supplier aspect, an internal cost system is necessary and is to be addressed. As a user, however, OJCS has been billing itself and will continue to do so in the future.

* Reruns are computer jobs that require reprocessing and are not billed to the user.